federal register

THURSDAY, AUGUST 14, 1975

PART IV:

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Office of Education

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BASIC EDUCATIONAL OPPORTUNITY GRANT PROGRAM

Expected Family Contribution for 1976–77 Academic Year

DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE

Office of Education

[45 CFR Part 190]

BASIC EDUCATIONAL OPPORTUNITY GRANT PROGRAM

Expected Family Contribution for 1976–77 Academic Year

Pursuant to the authority contained in subpart 1 of part A of Title IV of the Higher Education Act of 1965 as amended (20 U.S.C. 1070a) notice is hereby given that the Commissioner of Education, with the approval of the Secretary of Health, Education, and Welfare, proposes to issue the following amendments to the regulations covering the basis for determining the expected family contribution of both dependent and independent students for academic year 1976–77.

These amendments are being submitted for public comment and review by both Houses of Congress in advance of the February 1 deadline specified in section 411(a) of the Higher Education Act of 1965 as amended (20 U.S.C. 1070a) so that review of the Schedules may be completed earlier than May 1, which is the date listed in the statute. It is the opinion of the Commissioner that the May 1 deadline for Congressional action does not permit students, parents, and educational institutions sufficient time to make effective decisions concerning the packaging of student financial aid resources. The regulations to which these amendments are proposed were previously published on April 4, 1975 (40 FR 15248).

The proposed amendments provide for a 10% increase in the family size offsets used during the 1975–76 academic year. This increase in living allowance is an estimate, and will be changed in accordance with the actual increase in the Consumer Price Index as published by the Bureau of Labor Statistics at the end of the year. The intent of this increase is to take into account inflation of the basic cost of living during the current year.

The proposed regulations further provide for an increase in the asset reserve from $10,000 to $12,500 for the average family, and to $25,000 for families reporting farm or business assets. This increase is intended to provide a more equitable determination of need for those families whose occupation requires a substantial asset position in order to achieve a relatively low level of income.

Interested persons are invited to submit written comments, suggestions, or objections regarding the proposed rules to Mr. Peter K. U. Voigt, Director, Division of Basic and State Student Grants, U.S. Office of Education, Room 5678, ROB-3, 400 Maryland Avenue, SW., Washington, D.C. 20202. All relevant material must be received not later than September 15, 1975. Comments received will be available for public inspection at the above office Monday through Friday between 8 a.m. and 4:30 p.m.

It is hereby certified that the economic and inflationary impacts of this proposed regulation have been carefully evaluated in accordance with OMB Circular A-107.

Dated: July 30, 1975.

T. H. BELL,
U.S. Commissioner of Education.

Approved: August 8, 1975.

CASPAR W. WEINBERGER,
Secretary, Health, Education and Welfare.

(Catalog of Federal Domestic Assistance No. 13.539, Basic Educational Opportunity Grant Program)

Part 190 of Chapter I of Title 45 of the Code of Federal Regulations would be amended as follows:

PART 190—BASIC EDUCATIONAL OPPORTUNITY GRANT PROGRAM

1. Section 190.32 would be amended as follows:

Paragraph (d) through (h) becomes (e) through (j); paragraph (j) through (n) becomes (l) through (p); and by adding new paragraphs (d) and (k) to read as follows:

§ 190.32 Special definitions.

* * * * *

(d) "Business Assets" means property that is used in the operation of a trade or business including real estate inventories, buildings, machinery and other equipment inventories, patents, franchise rights, and copy rights.

* * * * *

(k) "Farm Assets" means any property owned and used in the operation of a farm for profit, including real estate, livestock, livestock products, crops, farm machinery, and other equipment inventories. A farm is not considered to be operated for profit if crops or livestock are raised mainly for the use of the family, but some income is derived from incidental sales.

* * * * *

2. Section 190.33 would be amended by revising paragraph (c)(1) to read as follows:

§ 190.33 The expected family contribution for dependent students from parents' and student's effective income.

* * * * *

(c) * * *

(1) *Family size offset.* A family size offset is the amount specified in the folloding table. Family size includes the student, the student's parents and the student's parents' dependents. If the parents are divorced or separated, family size shall include the student and any parent whose income is taken into account for the purpose of computing the annual adjusted family income and that parent's dependents.

FAMILY SIZE OFFSETS

Family size	*Dollar amounts*
2	3,700
3	4,500
4	5,700
5	6,750
6	7,650
7	8,450
8	9,350
9	10,250
10	11,100
11	11,950
12	12,800

* * * * *

3. In § 190.35, paragraph (a)(2) would be revised to read as follows:

§ 190.35 Computation of standard expected contribution from parents' assets.

(a) * * *

(2) If the net assets determined in paragraph (a)(1) of this section include farm assets or business assets as defined in § 190.32(d) and (k), deduct an asset reserve of $25,000 from the net assets. If the net assets determined in paragraph (a)(1) of this section do not include farm or business assets, deduct an asset reserve of $12,500 from the net assets.

* * * * *

4. Section 190.43 is amended by revising the paragraph (c)(1) to read as follows:

§ 190.43 The expected family contribution for independent students from annual adjusted family income.

* * * * *

(c) * * *

(1) *Family size offset.* A family size offset is the amount specified in the following table. Family size includes the student and his dependents. If the student is divorced or separated, family size shall include any person whose income is taken into account for the purpose of computing the annual adjusted family income and his or her dependents.

FAMILY SIZE OFFSETS

Family size	*Dollar amounts*
2	3,700
3	4,500
4	5,700
5	6,750
6	7,650
7	8,450
8	9,350
9	10,250
10	11,100
11	11,950
12	12,800

An offset of $1,050 shall be made for the single independent student.

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[FR Doc.75-21309 Filed 8-13-75;8:45 am]

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(Revised as of July 1, 1975)

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